

CITY OF POLSON

COMMISSION PUBLIC HEARING

Commission Chambers

August 15, 2016

5:30 p.m.

ATTENDANCE: Mayor Knutson, Commissioners Erickson, Siler, Southerland ,
City Manager Mark Shrives, and City Clerk Cora Pritt

ABSENT: Commissioners Coutts and Turner

OTHERS PRESENT (who voluntarily signed in): Elsa Duford, Bonnie Manicke, Lee Manicke, and
Tony Porrazzo

CALL TO ORDER: (00:02) Mayor Knutson called the meeting to order. The Pledge of Allegiance was
recited. Roll call was taken.

**APPROVAL OF PROPOSED AGENDA (00:52) –Commissioner Donovan motion to approve the
proposed agenda. Commissioner Erickson second.** Commission discussion: none Public comment:
none. **VOTE: Unanimous Motion carried**

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT ON THE AGENDA
(01:21) - none.**

FISCAL YEAR 2017 PRELIMINARY BUDGET (01:35)

MAYOR KNUTSON OPENED THE PUBLIC HEARING AT 5:34 P.M. (01:41)

City Manager Shrives gave a brief overview of the letter written to the Commission explaining the 2017
Preliminary Budget. The letter reads as follows:

August 12, 2016

Dear Commission and Citizens of Polson:

Attached is the preliminary budget packet for FY17. Although the General Fund will always continue to
present budgeting challenges, I am happy to report that this year, end of year cash is higher than last year's
ending cash. This will allow us to easily reach our goal of 16.67% fund balance reserve in the General
Fund. You may remember our struggles last year in trying to establish with the Department of Revenue
our newly taxable value. This year's newly taxable property tax value increased \$342,721. This compares
to last year's increase of only \$57,995. By law, the City can raise the same amount of taxes that it milled
the prior year. In order to raise the same amount of taxes and provide for the growth in value for the General
Fund this year compared to last year, the mills are set at 142.90 mills for the General Fund.

As discussed with the Commission Finance Committee, last year we successfully established a step system
for our police department which creates some known stability for the officers each year and it allows some
flexibility for the Chief of Police when hiring experienced officers. As was also discussed, an effort was
made to set up a similar system for all other City employees. This was not as easy to do as it was for the
Police Department. With the varied job descriptions and varies qualification requirements, this will take
another year of work to establish a better system taking these types of factors into account. Using the
Montana League of Cities salary survey of similar sized cities, and through our own separate salary survey
we conducted by reaching out to other cities, in most cases we were able to establish an average salary level
that we could compare our employees to. What we found was; in most cases our employees are below the
average salary as compared to other cities. My recommendation to the Commission Finance Committee

was to start slowly raising the salaries to at least get our employees to the averages and then in this next year, I will work to refine the specific criteria required for the various jobs in order to establish benchmarks that qualify an individual for salary increases in the future. We will also look at the averages each year in order to ensure we are on pace, but not over. This criterion will range from certifications such as water and sewer operator licenses and levels, specific training requirements, etc. At this point in time you will not see any salary changes in the budget except for the police increase on the pay matrix. I will be handing out a sheet that shows a 1% COLA increase for each employee and I would recommend we continue the Public Hearing, as I want to finalize the wage portion by looking at targeted increases for all employees based on the average salaries we identified in our studies. So rather than just recommend an across the board percentage increase, I will make recommendations that may range from COLA only, to a higher percentage increase for some employees who have taken on additional duties or who are extremely low on the overall salary scale. That information will be finalized within the next week or so and can be presented in a separate workshop setting or held until discussion for final budget adoption on September 7th.

Healthcare costs continue to be one of the City's largest budget items. We saw a 3% increase in premiums this year. The employees are also contributing a total of \$30 per month to the cost of insurance, compared to \$20 per month last year, for those on the high deductible plan. Those on the 80/20 plan (which has low deductibles) are now paying \$90 per month their plan. Based on the increased costs premium costs, I am recommending a raise in the Permissive Medical Levy from 10.5 mills to 11.5. The Commission will need to approve this as part of the final budget resolution.

Specific Fund Highlights that have been budgeted based on presentations given by Department Heads at the City Commission workshop.

General Fund:

Administration: Front Office Remodel (10,000)

New Copier (3,800)

Sound System (\$9,000)

Restructure positions with departure of HR/Payroll

Police: New Position (Drug Task Force/Detective) (**Not yet budgeted for – waiting additional funding information from Chief of Police**)

- This position will help contribute to our drug task force, as well as assist in felony crimes with our regular detective position. (Breakdown – 50% drug task force, 25% police levy, 25% general fund)

Replace Expired Bullet Proof Vests

Purchase of 4 new Police Radios

Public Safety Building Planning to Begin

- As a part of the strategic plan, the Police Chief has budgeted \$10,000 for an architect and conceptual drawings

Potential Funding for Grant Writer

Fire: Training Facility design and total project costs (\$19,000 in donated funds currently available)

Potential Funding for a Grant Writer

Replacement of Expiring SCBA Equipment

Replacement of Expired Firefighter Personnel Protective Clothing

Raised Firefighter Stipend (\$300 per year)

Parks and Recreation:

The Parks department has now been combined with the Golf department, creating a parks and recreation department. The parks portion of the department is funded through the General Fund, while the recreation side (golf) is funded through the enterprise fund. This specific section will just discuss the Parks Department.

The only major purchase being considered within the parks department this year will be a replacement mower (approximately \$50,000)

Planning: No major increases expected. Looking at several grant opportunities, which may require some match funds

Streets:

Streets are funded from both the General Fund and the Street Tax distributed by the State of Montana

Budgeted for a self-propelled paint machine

Budgeted to build an outside storage facility for the used oil tank that will be used to heat the City Shop

Enterprise Funds:

Water: Reservoir Replacement
Water PER

Sewer: Wastewater Treatment Plant Project
Lakeview Village Lift Station

Golf: "Olde 9" Irrigation Project
Purchase of Fairway Mowers

Special Revenue Fund:

Building Department: Web Based Permitting Software
Continuing Education for required Certifications

This is a preliminary budget and can be changed.
Sincerely,

Mark Shrives, City Manager

Cindy Dooley, Finance Officer

City Manager Shrives also requested that the Public Hearing remain open in the event there were any changes made to the 2017 Preliminary Budget. The Final Budget will be presented at the September 7, 2016 Commission meeting.

Cindy Dooley, Finance Officer gave the Commission a preliminary salary schedule. The Preliminary Budget does not reflect any salary not even COLA (Cost of Living Adjustment). Finance Officer Dooley reviewed the Revenue portion of the budget first. The decorated lights will see a rebate of 70% for the new lights. The Lighting District will see a \$3,800.00 savings. The Expenditure portion of the budget will be discussed during the regular Commission meeting at 7:00 p.m. Commissioner Erickson asked if

there was any other sources of revenue. City Finance Officer Dooley answered the business license is the only new source of revenue. City Manager Shrives replied that the Special Events cost is being reviewed and the fees may be adjusted.

Mayor Knutson then invited the public to share any comments.

Elsa Duford – thanked the Commission for hearing the people regarding the Resort Tax and Street Levy. Elsa then read from her Social Security notification. The Social Security office will not be giving a Cost of Living increase. The benefits are to remain the same due to C P I. Elsa requested that the Commission keep this in mind. This is what seniors were told. Listen to the public. Please keep that in mind as you consider this.

Lee Manicke-Ward II asked for the mil levy for General Fund to be repeated. City Manager Shrives answered 142.9. Lee also asked that the possible Downtown Master Plan coming from TIF (Tax Increment Fund) be expanded. City Manager Shrives replied it is a grant opportunity so there are no definite plans. It is a grant that is available that the City is looking at. The match money would come from the TIF because it is in the TIF District. Lee then asked about the Salish Point pavement project status. City Manager Shrives answered that the easement from the Tribe is completed. Lee commented that when Street Scape was being done, the Tribe contributed zero dollars to the project. *(NOTE: In the September 7, 2016 Commission Meeting Mr. Manicke requested that the written be changed to reflect that the Tribe did contribute CTEP monies to the Street Scape project. This is not what the audio states in 37:46-37:49. Therefore, the written minutes will not be changed.)* Why should the City pay to improve tribal property? Lee suggested using TIF funds to improve the City streets in the TIF District.

(42: 32) Mayor Knutson asked for a motion to continue the Public Hearing. Commissioner Southerland motion to continue the Public Hearing. Commissioner Siler second. Commission discussion: none Public comment: none. VOTE Unanimous motion carried.

(43:36) Mayor Knutson asked the Commission if written full minutes or action minutes. The Commission requested action minutes.

Adjourn. (43:51) Commissioner Siler motion to adjourn. Commissioner Southerland second. Commission discussion: none Public Comment: none VOTE: Unanimous Motion carried.

ADJOURN: 6:44p.m.

Mayor Heather Knutson

ATTEST: _____

Cora E. Pritt, City Clerk